

Bush Budget 2007: Same Old Privatization

In his 2007 budget, the President again proposed to privatize Social Security and cut guaranteed benefits for middle-class workers— with repeated references to his proposals throughout the document and, for the first time, the inclusion of the cost of the accounts in his budget. The budget revealed that the accounts would **drain the Social Security Trust Fund of three-quarters of a trillion dollars** in just the next decade.

President's Social Security Privatization Cuts Guaranteed Benefits that Workers Have Earned

Slashes benefits for middle-class Americans by more than 40 percent for future retirees.

Cuts benefits even if you don't open a risky private account.

Hits anyone who earns more than \$20,000 a year for the largest single benefit cut in Social Security in history.

Imposes a privatization tax on top of the middle-class benefit cut, so those who have accounts lose even more of their guaranteed benefit.

Replaces guaranteed Social Security benefits with risky private accounts.

President's Social Security Privatization Weakens Social Security and Increases the National Debt

Drains \$712 billion out of the Trust Fund in just the next ten years with even higher costs beyond the budget window, threatening seniors' benefits.

Increases the national debt by trillions of dollars, endangering our economy and increasing our borrowing from foreign nations.

Weakens the financing of Social Security, when we should be strengthening it.

Republican Bill in Congress is More of the Same – Privatization, Pure and Simple

Still cuts guaranteed benefits.

Still creates private accounts.

Still explodes the national debt – increasing it by \$1.1 trillion in 10 years – and uses gimmicks to cover up the true cost.

The only difference between the President's plan and the Congressional plan is cosmetic. The President creates risky private accounts directly from a worker's paycheck, while Congressional Republicans create them once Social Security contributions are in the federal Treasury.

Does nothing to stop the Republican raid on the Social Security surplus.

Social Security Provides Guaranteed Benefits that Americans Have Earned

Americans have earned their Social Security benefits.

Social Security safeguards Americans' independence and economic security in retirement and for families coping with death or disability.

Social Security can pay full benefits until 2052, and about 80 percent of benefits thereafter. (CBO)

Democrats are Committed to a Bipartisan Solution to Strengthen Social Security

Stop Republicans from raiding the Social Security Trust Fund surplus. The Bush budget would raid the entire Social Security surplus over the next 5 years – \$1.2 trillion in all.

Pay back what we owe the Social Security Trust Fund through fiscally responsible budgets.

Once private accounts are off the table, Democrats want to work on a bipartisan basis to strengthen Social Security without increasing the deficit, harming the middle class, or slashing guaranteed benefits.

*Prepared by the Democratic Staff of the Committee on Ways and Means, February 8, 2006
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